

Intra-group services – limited deductibility from 2026

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From 2026, Romanian tax law will restrict the deductibility of certain expenses related to non-resident affiliated companies. This affects corporate income tax payers whose previous year's turnover was less than EUR 50 million (but not those subject to the IMCA minimum tax).

Regulation

Law 239/2025, which was passed on December 15, 2025, and published in the Official Gazette, is part of the second fiscal package. It affects companies that belong to multinational corporations headquartered abroad and are therefore not purely Romanian corporations.

The regulation applies to payments made to “affiliated companies” or to the parent company abroad and sets limits on the deductibility of these expenses from Romanian corporate income tax.

The purpose of the measure is to prevent the erosion of the tax base through profit shifting to low-tax jurisdictions and to align with OECD international standards on tax bases and transfer pricing.

Specific content

The following types of expenses incurred by Romanian companies for transactions with non-resident affiliated companies are only partially deductible:

- Expenses related to intellectual property (IP) rights: copyrights, patents, trademarks, know-how, and other intangible assets;
- Administrative and consulting costs: administrative services, technical consulting, operational support, and similar services.

Insofar as these expenses exceed 1% of the total expenses reported in the income statement, they are considered non-deductible expenses for the purposes of determining corporate income tax.

The Romanian company can therefore only claim them for tax purposes up to a maximum of 1%; amounts exceeding this limit do not reduce the tax base.

The value of expenses is determined based on the information contained in the official accounting records (journal, register, financial reports). If the values are not listed in detail in the accounting overviews, the data from the primary accounting documents is used. Estimates or retroactive adjustments that are not related to actual business operations are not accepted.

Exceptions

The following expenditures are not taken into account when determining the 1% limit and remain fully deductible:

1. Expenses for obtaining and registering trademarks, industrial designs, copyrights, and similar rights in Romania as a result of transactions with non-resident affiliated companies;
2. Expenses that have been capitalized in accordance with applicable accounting regulations in the value of property, plant, and equipment and intangible assets.

These exceptions take into account the need to invest in intellectual property and the modernization of assets, and favor projects that create sustainable added value in Romania.

Application in the 2026 fiscal year:

The calculation of the 1% ceiling is based on expenditure from:

- the annual financial statements submitted for the year 2024,
- the fiscal year that began in 2024 (if the fiscal year differs), **or**
- the accounting records for the year 2024.

Taxpayers with a fiscal year that differs from the calendar year (Art. 16(5) of the Tax Code) shall apply the provisions of the amended fiscal year beginning in 2026.

Taxpayers established in 2025 shall apply the cap when determining their taxable income for 2026, taking into account the total costs (average or proportion for the period of activity).

Application in the 2027 fiscal year:

The 1% limit is determined on the basis of expenditure in the current calculation year, using a methodology established by order of the Minister of Finance on the recommendation of the ANAF.

The following are exempt from the restriction:

1. Taxpayers who already have an advance pricing agreement (APA) or who apply for one from ANAF (from 2027) in certain situations;
2. Banks and other regular financial institutions.

Conclusion

The restriction is strict: only 1% of the total costs for services/IP to non-resident affiliated companies are deductible.

The final methodology and definition of affiliated companies will be clarified by the Ministry of Finance, ensuring greater predictability.

Such expenses are commonplace in large corporations. Transfer pricing structures for Romania must now be carefully analyzed; advance pricing agreements (APAs) may be advisable for significant transactions with non-resident affiliated companies in order to avoid substantial tax adjustments and associated penalties.

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